



**NIFTY Junior** index is comprised of the most liquid securities after the first 50 securities of NIFTY50. It provides investors and market intermediaries with an appropriate benchmark that captures the performance of the next rung of most liquid and well capitalized securities, after the Nifty50.

It is an index comprising of dynamic companies, growing rapidly and taking on competition from established leaders. NIFTY Junior also acts an incubator for stocks that have the potential to become part of the Nifty50 index in future.

Based on the evolving needs of the market and the investors, NSE introduces **NIFTY Junior futures and options** trading from 1<sup>st</sup> June 2007.

## **Benefits of trading in NIFTY Junior Futures & Options**

Trading in Nifty Junior Futures & Options enable the following:

- **Invest:** Take a view on companies, which are fast growing, dynamic and highly competitive. They are aggressive companies with the ambition of overtaking the leaders of today and emerge as the new leaders in their industry. Take an exposure to this dynamic pack of companies; invest in the entire basket of such stocks by buying or selling the Nifty Junior futures and options.
- **Hedge:** Reduce risks associated with market exposure to Nifty Junior stocks by taking a hedged position in the Nifty Junior derivatives market.
- **Arbitrage:** Take advantage of the price difference between the futures market and the cash market.

# NIFTY JUNIOR

The next *big* thing

## Index statistics:

Introduced on: January 1, 1997  
Base date: November 3, 1996  
Base index value: 1000.

Tracking Nifty Junior index since inception:





## NIFTY Junior

(As on March 30, 2007)	NIFTY Junior
Average Market Cap (in Rs. Mn.)(Apr 06 – Mar 07)	28,63,681
P/E Ratio	18.48
Price to Book	3.49
Dividend Yield	1.13
Volatility (of Av. Daily Returns Apr 06 – Mar 07)	1.78

## Volatility of NIFTY Junior

Period	NIFTY Junior
Jan 2003 – Dec 2003	1.38%
Jan 2004 – Dec 2004	1.95%
Jan 2005 – Dec 2005	1.23%
Jan 2006 – Dec 2006	1.96%
Apr 2006 – Mar 2007	1.78%

## Returns of NIFTY Junior

Period	NIFTY Junior
Jan 2003 – Dec 2003	140.46%
Jan 2004 – Dec 2004	28.00%
Jan 2005 – Dec 2005	24.43%
Jan 2006 – Dec 2006	28.24%
Apr 2006 – Mar 2007	7.27%

# NIFTY JUNIOR

*The next big thing*

## Composition\*

Sr. No.	Company	Symbol	Market Cap as on April 30, 2007 (Rs. Crs.)	Weightages (%)	Correlation with Nifty Junior
1	Andhra Bank	ANDHRABANK	3955	1.23	0.73
2	Apollo Tyres Ltd.	APOLLOTYRE	1466	0.46	0.45
3	Ashok Leyland Ltd.	ASHOKLEY	5156	1.60	0.78
4	Asian Paints Ltd.	ASIANPAINT	7586	2.36	0.53
5	Aurobindo Pharma Ltd.	AUOPHARMA	3654	1.14	0.63
6	Aventis Pharma Ltd.	AVENTIS	2981	0.93	0.57
7	Bank of Baroda	BANKBARODA	8597	2.67	0.69
8	Bank of India	BANKINDIA	9378	2.92	0.74
9	Bharat Electronics Ltd.	BEL	13746	4.27	0.74
10	Bharat Forge Ltd.	BHARATFORG	7207	2.24	0.72
11	Biocon Ltd.	BIOCON	4808	1.50	0.48
12	Bongaigaon Refinery & Petrochemicals Ltd.	BONGAIREFN	962	0.30	0.71
13	Cadila Healthcare Ltd.	CADILAHC	4062	1.26	0.59
14	Canara Bank	CANBK	8897	2.77	0.79
15	Chennai Petroleum Corporation Ltd.	CHENNPETRO	3196	0.99	0.56
16	Container Corporation of India Ltd.	CONCOR	13480	4.19	0.53
17	Corporation Bank	CORPBANK	4544	1.41	0.72
18	Cummins India Ltd.	CUMMINSIND	6010	1.87	0.72
19	I-Flex Solutions Ltd.	I-FLEX	21009	6.53	0.59
20	IBP Co. Ltd.	IBP	978	0.30	0.64
21	IFCI Ltd.	IFCI	2858	0.89	0.60
22	ING Vysya Bank Ltd.	INGVYSYABK	1715	0.53	0.44
23	Indian Hotels Co. Ltd.	INDHOTEL	8327	2.59	0.77
24	Indian Overseas Bank	IOB	6380	1.98	0.70
25	Industrial Development Bank of India Ltd.	IDBI	6119	1.90	0.79
26	Infrastructure Development Finance Co. Ltd.	IDFC	10811	3.36	0.71
27	Ingersoll Rand (India) Ltd.	INGERRAND	900	0.28	0.64
28	Jaiprakash Associates Ltd.	JPASSOCIAT	13255	4.12	0.68
29	Kotak Mahindra Bank Ltd.	KOTAKBANK	17727	5.51	0.64
30	LIC Housing Finance Ltd.	LICHSGFIN	1288	0.40	0.74
31	Lupin Ltd.	LUPIN	5651	1.76	0.61
32	Moser Baer India Ltd.	MOSERBAER	3972	1.24	0.44
33	Mphasis Ltd.	MPHASIS	5153	1.60	0.62
34	Nicholas Piramal India Ltd.	NICOLASPIR	5392	1.68	0.60
35	Nirma Ltd.	NIRMA	2570	0.80	0.53
36	Patni Computer Systems Ltd.	PATNI	6575	2.04	0.43
37	Pfizer Ltd.	PFIZER	2548	0.79	0.52
38	Polaris Software Lab Ltd.	POLARIS	1694	0.53	0.68

Sr. No.	Company	Symbol	Market Cap as on April 30, 2007 (Rs. Crs.)	Weightages (%)	Correlation with Nifty Junior
39	Punjab Tractors Ltd.	PUNJABTRAC	1818	0.57	0.52
40	Raymond Ltd.	RAYMOND	2113	0.66	0.57
41	Reliance Capital Ltd.	RELCAPITAL	17505	5.44	0.83
42	Syndicate Bank	SYNDIBANK	3852	1.20	0.73
43	TVS Motor Company Ltd.	TVSMOTOR	1531	0.48	0.73
44	Tata Teleservices (Maharashtra) Ltd.	TTML	5229	1.63	0.53
45	Tech Mahindra Ltd.	TECHM	19266	5.99	0.37
46	UTI Bank Ltd.	UTIBANK	13186	4.10	0.59
47	UltraTech Cement Ltd.	ULTRACEMCO	10223	3.18	0.61
48	Union Bank of India	UNIONBANK	5382	1.67	0.76
49	Vijaya Bank	VIJAYABANK	2148	0.67	0.67
50	Wockhardt Ltd.	WOCKPHARMA	4699	1.46	0.64

\* - as on 28<sup>th</sup> May 2007.



## Contract Specifications: Nifty Junior Futures and Options

<b>Underlying Index</b>	CNX Nifty Junior
<b>Security descriptor</b>	Futures : FUTIDX JUNIOR Options : OPTIDX JUNIOR
<b>Contract Size</b>	Permitted lot size shall be 25 and multiples thereof
<b>Price steps</b>	Re. 0.05
<b>Price Bands</b>	Not applicable
<b>Trading Cycle</b>	Maximum of three months – the near month, the next month and the far month. New contract shall be introduced on the next trading day following the expiry of near month contract
<b>Expiry day</b>	Last Thursday of the expiry month or the previous trading day if the last Thursday is a trading holiday
<b>Settlement basis</b>	Cash settlement
<b>Style of option</b>	European



The **National Stock Exchange of India (NSE)** is one of the largest and most advanced stock exchanges in the world. NSE is the largest exchange in Single Stock futures and the seventh largest futures exchange in the world. It's trading facility can be accessed across the country, through over 50000 trading terminals. The central order book with a tight bid-ask spread provides a highly liquid market for the investors.

Nifty 50 futures is the most actively traded contract. The Nifty 50 comprises of companies having leadership position in Indian economy. It consists of highly liquid, 50 largest market capitalized stocks listed on NSE. It is the benchmark of the Indian capital market. Institutional and retail investors refer Nifty 50 for hedging their underlying equity exposure.

#### **Some milestones:**

April 1993	Recognition as a stock exchange
November 1994	Capital Market (Equities) segment goes live
October 1995	Became largest stock exchange in the country
April 1996	Launch of S&P CNX Nifty
December 1996	Launch of CNX Nifty Junior
June 2000	Commencement of Derivatives Trading (Index Futures)
June 2001	Commencement of trading in Index Options
July 2001	Commencement of trading in Options on Individual Securities
November 2001	Commencement of trading in Futures on Individual Securities
August 2003	Launch of Futures & options in CNXIT Index
June 2005	Launch of Futures & options in BANK Nifty Index
December 2006	'Derivative Exchange of the Year', by Asia Risk magazine
March 2007	NSE, CRISIL announce launch of IndiaBondWatch.com

#### **Disclaimer**

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